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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

23-6

OMB APPROVAL	
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**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING January 1, 2002 AND ENDING December 31, 2002  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

*Post Lane & Co LLC*

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

Post-Lane & Co., LLC

99 Battery Place, Suite 16E

(No. and Street)

New York,

NY

10280

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Catania, Moskowitz & Gutwetter, P.C.

(Name - if individual, state last, first, middle name)

70 Grand Ave

River Edge

NJ

07661

(Address)

(City)

(State)

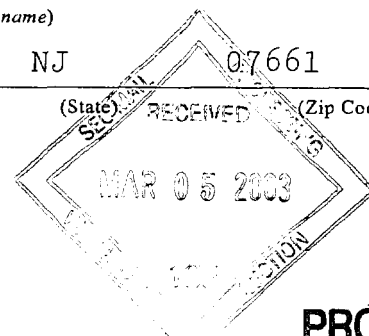
(Zip Code)

**CHECK ONE:**

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.



**PROCESSED**

FOR OFFICIAL USE ONLY

**MAR 24 2003**

**THOMSON  
FINANCIAL**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (05-01)

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**MAR 21 2003**

## OATH OR AFFIRMATION

I, Richard Rosen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Post-Lane & Co., LLC, as of December 31, 20 02, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None

**MAYRA FRANCESCHINI**  
Notary Public, State of New York  
No. 24-0004679

Qualified in Richmond County  
and New York County

Commission Expires 11-27-06

[Signature]  
Notary Public

[Signature]  
Signature

PRESIDENT  
Title

This report \*\* contains (check all applicable boxes):

- ☐ (a) Facing Page.
- ☐ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☐ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**POST-LANE & CO., LLC**  
**FINS IDENTIFICATION NO. 376996**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

CATANIO  
MOSKOWITZ &  
GUTWETTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

70 GRAND AVENUE, RIVER EDGE, NEW JERSEY 07661

Thomas J. Catanio, Jr., C.P.A.

TEL: (201) 487-5000

FAX: (201) 487-4446

Michael Moskowitz, C.P.A.

David J. Gutwetter, C.P.A.

Bernard H. Yegelwel, C.P.A.

Independent Auditors' Report

To the Board of Directors and Members of

Post-Lane & Co., LLC

We have audited the accompanying statement of financial condition of Post-Lane & Co., LLC as of December 31, 2002 and the related statements of income, changes in member's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the management of Post-Lane & Co., LLC. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Post-Lane & Co., LLC as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Catanio, Moskowitz & Gutwetter, P.C.*

River Edge, NJ 07661

February 22, 2003

**POST-LANE & CO., LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2002**

**ASSETS**

Cash	\$ 310
Cash deposits with clearing organization	<u>35,000</u>
Total Assets	\$ <u>35,310</u>

**LIABILITIES AND MEMBER'S EQUITY**

Liabilities:	
Accounts payable	\$ 172
Member's Equity	<u>35,138</u>
Total Liabilities and Member's Equity	\$ <u>35,310</u>

The accompanying notes are an integral part of these financial statements.

**POST-LANE & CO., LLC**  
**STATEMENT OF INCOME (LOSS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

Revenue:		
Commissions	\$ 1,815	
Trading gains	80,648	
Grants	<u>9,794</u>	
Total Revenue		92,257
Expenses:		
Floor brokerage, exchange, and clearance fees	258	
Regulatory fees	630	
Other expenses	<u>113,987</u>	
Total Expenses		<u>114,875</u>
NET (LOSS)		\$ <u>(22,618)</u>

The accompanying notes are an integral part of these financial statements.

**POST-LANE & CO., LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

Balance - January 1, 2002	\$ 57,756
Net (Loss)	<u>(22,618)</u>
BALANCE - DECEMBER 31, 2002	\$ <u>35,138</u>

The accompanying notes are an integral part of these financial statements.

**POST-LANE & CO., LLC**  
**STATEMENT OF CHANGES IN SUBORDINATED BORROWINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

Subordinated Borrowings, January 1, 2002	\$ _____ -
Subordinated Borrowings, December 31, 2002	\$ <u>          </u> -

The accompanying notes are an integral part of these financial statements.



**POST-LANE & CO., LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Flow Used In Operating Activities:

Net loss	\$ (22,618)	
(Increase)/decrease in operating assets:		
Increase/ (decrease) in operating liabilities:		
Accounts and accrued expenses payable	<u>(3,353)</u>	(25,971)

Cash at Beginning of Year	<u>26,281</u>
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Cash at End of Year	\$ <u>310</u>
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**SUPPLEMENTAL CASH FLOW DISCLOSURES**

Income Taxes Paid	\$ 325
Interest Payments	\$ -

The accompanying notes are an integral part of these financial statements.

**POST-LANE & CO., LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**ORGANIZATION AND NATURE OF BUSINESS**

Post-Lane & Co., LLC, is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of Securities Investor-Protection Corporation (SIPC) and the National Association of Securities Dealers (NASD). The Company is a Delaware Limited Liability Company that is wholly-owned by IDT Associates, LLC.

**SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including risk less principal transactions, agency transactions, investment banking, investment advisory, and venture capital businesses.

Securities Transactions

Securities transactions in regular-way trades are recorded on the settlement date. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a settlement date basis. Customers' securities transactions are reported on a settlement date basis with related commission income and expenses reported on a settlement date basis.

Significant Credit Risk

The Company executes, as agent, securities transactions on behalf of its customers. If either the customer or the counter-party fails to perform, the Company may sustain a loss if the market value of the security is different from the contract price. The Company as a non-dealing broker does not handle any customer funds or securities. The responsibility for processing customer activity rests with the clearing agent, Dain Correspondent Clearing. The Company is located in New York City and its customers are located throughout the United States.

Collateral

The Company continues to report assets it has pledged as collateral in secured borrowing and other arrangements when the secured party cannot sell or re-pledge the assets or the Company can substitute collateral or otherwise redeem it on short notice. The Company generally does not report assets received as collateral in secured lending and other arrangements because the debtor typically has the right to redeem the collateral on short notice.

**POST-LANE & CO., LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investment Banking

Investment banking revenues includes gains, losses, and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Investment banking revenues also include fees earned from providing financial restructuring advisory services. Investment banking management fees are recorded on offering date, sales concessions on settlement date, and underwriting fees at the time the underwriting is completed and the income is reasonably determinable.

Commissions

Commissions and related clearing expenses are recorded on a settlement date basis as securities transactions occur.

Income Taxes

The Company has elected to be treated as a partnership for income tax purposes. Accordingly, no provision for Federal or State income taxes has been made, since any liability for such taxes is that of the Partners and not the Company.

**STATEMENT OF CASH FLOWS**

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, which are not held for sale in the ordinary course of business.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

**POST-LANE & CO., LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**RECEIVABLE FROM AND PAYABLE TO BROKER-DEALERS AND CLEARING ORGANIZATIONS**

Amounts receivable from and payable to clearing organizations at December 31, 2002, consist of the following:

	<u>Receivable</u>	<u>Payable</u>
Deposits held by clearing agent	\$ 35,000	\$ 172

The company uses a clearing correspondent with respect to the accounts of the Company's customers that provides services such as: (i) executing, clearing and settling securities transactions on behalf of Correspondent; (ii) preparing and delivering confirmation of Transactions and periodic Account statements; (iii) extending credit ("Margin") to Customers with respect to Account activity; (iv) performing cashiering functions, including, but not limited to, receiving and delivering checks, funds and securities and collecting commissions and other fees of Correspondent; (v) safeguarding Account funds and securities, and (vi) maintaining books and records with respect to the Accounts.

**SUBORDINATED BORROWINGS**

There was no subordinated borrowing during the 2002 year.

**COMMITMENTS AND CONTINGENT LIABILITIES**

In the normal course of business, the Company enters in selling group commitments. Transactions relating to such selling group commitments that were open at December 31, 2002, and were subsequently settled had no material effect on the financial statements as of that date.

**NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2002, the Company had net capital of \$35,138. This was \$14,862 below the required net capital of \$50,000. Post Lane & Co, LLC had no income from firm commitment underwriting in 2002.

**CONSULTING FEES**

Post-Lane & Co., LLC pays a consulting fee to its member, IDT Associates, LLC.

CATANIO  
MOSKOWITZ &  
GUTWETTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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David J. Gutwetter, C.P.A.

Bernard H. Yegelwel, C.P.A.

Independent Auditors' Report on Supplementary Information  
Required by Rule 17a-5 of the Securities and Exchange Commission

To the Board of Directors and Members of

Post-Lane & Co., LLC

We have audited the accompanying financial statements of Post-Lane & Co., LLC as of and for the year ended December 31, 2002 and have issued our report thereon dated February 22, 2003. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Catanio, Moskowitz & Gutwetter, P.C.*

River Edge, NJ 07661  
February 22, 2003

**POST-LANE & CO., LLC**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF**  
**THE SECURITIES AND EXCHANGE COMMISSION**  
**AS OF DECEMBER 31, 2002**

Schedule I

Net Capital

Total member's equity \$ 35,138

Additional charges for  
subordinated borrowings allowable in compilation of capital \_\_\_\_\_ -

Total Capital and Allowable Subordinated borrowings \$ 35,138

Deductions and/or charges:

Non-allowable assets:

Receivable from parent \_\_\_\_\_ -

Net capital before haircuts on securities position 35,138

Haircuts on securities \_\_\_\_\_ -

Net Capital \$ 35,138

Aggregate Indebtedness Items Included in Statement of Financial Condition:

Total Aggregate Indebtedness - Accounts payable \$ 172

Computations of Basic Net Capital Requirement

Minimum net capital required:

Company \$ 50,000

Broker-dealer subsidy \_\_\_\_\_ -

Total \$ 50,000

Net Capital 35,138

Net Capital/(Deficit) \$ (14,862)

RECONCILIATION WITH COMPANY'S COMPUTATION INCLUDED IN PART II  
OF FORM 17A-5 AS OF DECEMBER 31, 2002

Net capital as reported in the company's Part II (unaudited) audit report \$ 53,310

Collection of receivables:

Commissions - sale voided (20,000)

Decrease in year end trade payables 1,828

Recording of additional disbursements \_\_\_\_\_ -

Net Capital Per Financial Statement \$ 35,138

**POST LANE & CO., LLC  
COMPUTATIONS FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2002**

Schedule II

The Company is exempt from the provisions of 15c3-3 under the Securities and Exchange Act of 1934 in that the Company's activities are limited to those set forth in conditions of exemption appearing in paragraph (2)(k)(ii) of the Rule 15c3-3.

# CATANIO MOSKOWITZ & GUTWETTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors and Members of

Post-Lane & Co., LLC

In planning and performing our audit of the consolidated financial statements of Post-Lane & Co., LLC for the year ended December 31, 2002, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c-3-3(e)
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17-a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Federal Reserve System
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3

The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the proceeding paragraph.



Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2002, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Catania, Moskowitz & Gutwetter, P.C.*

River Edge, NJ 07661  
February 22, 2003

**CATANIO  
MOSKOWITZ &  
GUTWETTER, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS